

Line No.	Description (a)	South Dakota Gas (b)	Reference (c)
1	Rate Base	67,485,680	Sch. 9, Col. (g), Line 29
2			
3	Rate of Return	8.68%	Statement G, Col. (h), Line 7
4			
5	Required Return	5,857,757	Line 1 multiplied by Line 3
6			
7	Adjusted Test Year Operating Income	3,181,804	Statement M, Col. (e), Line 22
8			
9	Change in Operating Income	<u>2,675,953</u>	Line 5 minus Line 7
10			
11	Income Tax Effect -		
12	Federal @ 35%	<u>1,440,897</u>	Line 9 plus line 26 divided by .65, times .35
13			
14			
15	Revenue (Excess) Deficiency	4,116,850	Line 9 plus Line 12
16	Gross Receipts Tax @ 0.0015	6,185	Statement M, Col. (f), Line 14
17			
18	Total Revenue Deficiency	<u>4,123,035</u>	Line 15 plus Line 16 plus Line 17
19			
20			
21	Test Year Pro Forma Revenue	57,236,337	Statement M, Col. (e), Line 7
22			
23	Revenue Requirement	61,359,372	Line 19 plus Line 22
24			
25	Revenue Requirement % Change	<u>7.20%</u>	Line 19 divided by Line 22

NorthWestern Energy
 Summary of Pro Forma Adjustments - Operating Income Statement
 Twelve Months Ending December 31, 2010

Adjustment No.	(1)	(2)	(3)	(4)	(5)	(6)		
Line No.	Description (a)	Per Books Dec 31, 2010 (b)	Weather Normalization (c)	Late Payment Revenues (d)	Advertising Expense (e)	Dues Expense (f)	Lobbying Expense (g)	Economic Development (h)
			\$	\$	\$	\$	\$	\$
1	Operating Revenues							
2	Gas Sales Revenues	48,517,250	556,545	0	0	0	0	0
3	Transportation Revenues	6,888,977	(26,157)	0	0	0	0	0
4	Other Revenues	224,872	0	(139,287)	0	0	0	0
5								
6	Total	55,631,098	530,388	(139,287)	0	0	0	0
7								
8	Operating Expenses							
9	Cost of Gas Supply	35,542,683	491,877	0	0	0	0	0
10	Operating and Maintenance Expense	9,559,142	0	0	(22,203)	(12,896)	(6,066)	3,160
11	Depreciation and Amortization	3,899,453	0	0	0	0	0	0
12	Taxes Other Than Income Taxes	1,098,373						
13	Ad Valorem		(69,528)	0	0	0	0	0
14	Gross Revenue		(20,063)	0	0	0	0	0
15	Other		11,204	0	0	0	0	0
16	Federal and State Income Taxes	1,416,781	40,914	(48,750)	7,771	4,514	2,123	(1,106)
17	Rate Case Expense	0	0	0	0	0	0	0
18								
19	Total	51,516,432	454,404	(48,750)	(14,432)	(8,382)	(3,943)	2,054
20								
21	Operating Income	4,114,667	75,984	(90,537)	14,432	8,382	3,943	(2,054)

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Adjustment No.	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
Line No.	Description	Labor Expense	Interest Synchron.	Depreciation Loomis Reg	Amortization New Software	Aberdeen MGP	Huron MGP Insurance Refund	Milbank Deferred Costs
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
		\$	\$	\$	\$	\$	\$	\$
1	Operating Revenues							
2	Gas Sales Revenues	0	0	0	0	0		0
3	Transportation Revenues	0	0	0	0	0	0	0
4	Other Revenues	0	0	0	0	0	0	0
5								
6	Total	0	0	0	0	0	0	0
7								
8	Operating Expenses							
9	Cost of Gas Supply	0	0	0	0	0		0
10	Operating and Maintenance Expense	133,542	0	0	0	1,672,469	651,201	52,823
11	Depreciation and Amortization	0	0	33,722	88,986	0		0
12	Taxes Other Than Income Taxes							
13	Ad Valorem	0	0	0	0	0	0	0
14	Gross Revenue	0	0	0	0	0	0	0
15	Other	0	0	0	0	0	0	0
16	Federal and State Income Taxes	(46,740)	(85,446)	(11,803)	(31,145)	(585,364)	(227,920)	(18,488)
17	Rate Case Expense	0	0	0	0	0	0	0
18								
19	Total	86,802	(85,446)	21,919	57,841	1,087,105	423,281	34,335
20								
21	Operating Income	(86,802)	85,446	(21,919)	(57,841)	(1,087,105)	(423,281)	(34,335)

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Adjustment No. (14) (15) (16)

Line No.	Description	SDWG 4 CWD Customers	Milbank Pipeline	NNG Farm Taps	(e)	(f)	(g)	Total Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
		\$	\$	\$	\$	\$	\$	\$
1	Operating Revenues							
2	Gas Sales Revenues	622,868		0	0	0	0	1,179,413
3	Transportation Revenues	0	516,311	0	0	0	0	490,154
4	Other Revenues	0	0	74,958	0	0	0	(64,329)
5								
6	Total	622,868	516,311	74,958	0	0	0	1,605,238
7								
8	Operating Expenses							
9	Cost of Gas Supply	0	0	0	0	0	0	491,877
10	Operating and Maintenance Expense	32,224	96,141	36,207				2,636,602
11	Depreciation and Amortization	254,981	110,444	0	0	0	0	488,133
12	Taxes Other Than Income Taxes							
13	Ad Valorem	31,615	64,565	0	0	0	0	26,652
14	Gross Revenue	0	0	0	0	0	0	(20,063)
15	Other	0	0	0	0	0	0	11,204
16	Federal and State Income Taxes	106,417	85,806	13,563	0	0	0	(795,654)
17	Rate Case Expense	0	0	0	0	0	0	0
18								
19	Total	425,237	356,956	49,770	0	0	0	2,838,751
20								
21	Operating Income	197,631	159,355	25,188	0	0	0	(1,233,513)

Adjustment No.

Line No.	Description	Per Books Dec 31, 2010 (b) \$	(17)	(18)	(19)	(f) \$	Total Adjustments (g) \$
			Power Plan New e-CIS Software (c) \$	SDWG CWD Plant Additions (d) \$	Milbank Plant Additions (e) \$		
1	Plant in Service						
2	Direct South Dakota Gas Plant	94,507,172	0	2,753,703	4,970,000		7,723,703
3	Common Plant	9,444,493	444,928	0	0		444,928
4							
5	Subtotal	103,951,665	444,928	2,753,703	4,970,000	0	8,168,631
6							
7	Distribution Replacements						
8	Distribution Mains	0	0	0	0		0
9	Distribution Services	0	0	0	0		0
10	Construction in Service, Not Transferred						0
11							0
12	Direct South Dakota Gas Plant	0	0	0	0		0
13	Common Plant	0	0	0	0		0
14							
15	Total Plant and Property	103,951,665	444,928	2,753,703	4,970,000	0	8,168,631
16							
17	Accumulated Depreciation & Amort.						
18	Direct South Dakota Gas Plant	36,982,104	0	135,439	55,224		190,663
19	Common Plant	2,340,019	51,908	0	0		51,908
20							
21	Total Reserve	39,322,123	51,908	135,439	55,224	0	242,571
22							
23	Net Utility Plant	64,629,542	393,020	2,618,264	4,914,776	0	7,926,060
24	Working Capital	1,299,344	0	0	0	0	0
25	Unamortized Rate Case Expense	0	0	0	0		0
26	Deferred Tax Reserve	(6,184,600)	0	0	0		0
27							
28	Net Rate Base	59,744,286	393,020	2,618,264	4,914,776	0	7,926,060
			\$46,054	\$306,808	\$575,913		